



0000037381

BEFORE THE ARIZONA CORPORATION COMMISSION Arizona Corporation Commission
DOCKETED

1
2 WILLIAM A. MUNDELL
3 CHAIRMAN
4 JIM IRVIN
5 COMMISSIONER
6 MARC SPITZER
7 COMMISSIONER

OCT 04 2001

DOCKETED BY	<i>me</i>
-------------	-----------

8 IN THE MATTER OF THE APPLICATION OF
9 TOTAL CALL INTERNATIONAL, INC. FOR A
10 CERTIFICATE OF CONVENIENCE AND
11 NECESSITY TO PROVIDE COMPETITIVE
12 RESOLD INTEREXCHANGE
13 TELECOMMUNICATIONS SERVICES

DOCKET NO. T-04004A-01-0259

DECISION NO. 64065

ORDER

9 Open Meeting
10 October 2 & 3, 2001
11 Phoenix, Arizona

12 **BY THE COMMISSION:**

13 Having considered the entire record herein and being fully advised in the premises, the
14 Commission finds, concludes, and orders that:

15 **FINDINGS OF FACT**

16 1. On March 27, 2001, Total Call International, Inc. ("Total Call" or "Applicant") filed
17 with the Arizona Corporation Commission ("Commission") an application for a Certificate of
18 Convenience and Necessity ("Certificate") to provide competitive resold interexchange
19 telecommunications services within the State of Arizona.

20 2. In Decision No. 58926 (December 22, 1994), the Commission found that resold
21 telecommunications providers ("resellers") were public service corporations subject to the
22 jurisdiction of the Commission.

23 3. Applicant is a California corporation, authorized to do business in Arizona since
24 March of 2001.

25 4. Applicant is a switchless reseller, which purchases telecommunications services from
26 a variety of carriers.

27 5. On June 1, 2001, Applicant filed Affidavits of Publication indicating compliance with
28 the Commission's notice requirements.

1 6. On April 17, 2001, the Commission's Utilities Division Staff ("Staff") filed its Staff
2 Report recommending approval of the application with some conditions, without a hearing.

3 7. In its Staff Report, Staff stated that Total Call provided financial statements for the
4 period ending April 30, 2000. These financial statements list assets of \$725,003, negative equity of
5 (\$136,487), and a net loss of (\$151,487). Based on the foregoing, Staff believes that Applicant lacks
6 adequate financial resources to be allowed to charge customers any prepayments, advances, and/or
7 deposits without posting a surety bond to cover such prepayments, advances, and/or deposits.

8 8. Staff believes that if the Applicant experiences financial difficulty, there should be
9 minimal impact to its customers. Customers are able to choose another reseller or a facilities-based
10 provider.

11 9. The Staff Report also stated that Applicant has no market power and the
12 reasonableness of its rates would be evaluated in a market with numerous competitors.

13 10. Staff recommended approval of the application subject to the following conditions,
14 that:

15 (a) The Applicant should be ordered to comply with all Commission rules, orders,
16 and other requirements relevant to the provision of intrastate telecommunications
17 service;

18 (b) The Applicant should be ordered to maintain its accounts and records as
19 required by the Commission;

20 (c) The Applicant should be ordered to file with the Commission all financial and
21 other reports that the Commission may require, and in a form and at such times as the
22 Commission may designate;

23 (d) The Applicant should be ordered to maintain on file with the Commission all
24 current tariffs and rates, and any service standards that the Commission may require;

25 (e) The Applicant should be ordered to comply with the Commission's rules and
26 modify its tariffs to conform to these rules if it is determined that there is a conflict
27 between the Applicant's tariffs and the Commission's rules;

28 (f) The Applicant should be ordered to cooperate with Commission investigations
of customers complaints;

 (g) The Applicant should be ordered to participate in and contribute to a universal
service fund, as required by the Commission;

1 (h) The Applicant should be ordered to notify the Commission immediately upon
2 changes to the Applicant's address or telephone number;

3 (i) The Applicant's intrastate interexchange service offerings should be classified
4 as competitive;

5 (j) The Applicant's competitive services should be priced at the rates proposed by
6 the Applicant in its most recently filed tariffs. Those rates should be approved on an
7 interim basis. The maximum rates for these services should be the maximum rates
8 proposed by the Applicant in its proposed tariffs. The minimum rates for the
9 Applicant's competitive services should be the Applicant's total service long run
10 incremental costs of providing those services; and

11 (k) In the event that the Applicant states only one rate in its proposed tariff for a
12 competitive service, the rate stated should be the effective (actual) price to be charged
13 for the service as well as the service's maximum rate.

14 11. Staff further recommended approval of Total Call's application subject to the
15 following conditions:

16 (a) That the Applicant file conforming tariffs within 30 days of an Order in this
17 matter, and in accordance with the Decision;

18 (b) That the Applicant file in this Docket, within 18 months of the date it first
19 provides service following certification, sufficient information for Staff
20 analysis and recommendation for a fair value finding, as well as for an analysis
21 and recommendation for permanent tariff approval. This information must
22 include, at a minimum, the following:

23 1. A dollar amount representing the total revenue for the first twelve months
24 of telecommunications service provided to Arizona customers by United
25 following certification, adjusted to reflect the maximum rates that the
26 Applicant has requested in its tariff. This adjusted total revenue figure
27 could be calculated as the number of units sold for all services offered
28 times the maximum charge per unit;

2. The total actual operating expenses for the first twelve months of
telecommunications service provided to Arizona customers by the
Applicant following certification;

3. The value of all assets, listed by major category, including a description of
the assets, used for the first twelve months of telecommunications services
provided to Arizona customers by the Applicant following certification.
Assets are not limited to plant and equipment. Items such as office
equipment and office supplies should be included in this list;

1 (c) Applicant's failure to meet the condition to timely file sufficient information
2 for a fair value finding and analysis and recommendation of permanent tariffs
3 shall result in the expiration of the Certificate of Convenience and Necessity
4 and of the tariffs; and

5 (d) In order to protect the Applicant's customers,

6 1. Applicant should be ordered to procure a performance bond equal to
7 \$10,000. The minimum bond amount of \$10,000 should be increased if
8 at any time it would be insufficient to cover prepayments, advances,
9 and/or deposits collected from the Applicant's customers;

10 2. Proof of the performance bond should be docketed within 90 days of
11 the effective date of an order in this matter or 30 days prior to the
12 provision of service, whichever comes first; and

13 3. After one year of operation under the CC&N granted by the
14 Commission, Staff recommends that the Applicant be allowed to file a
15 request for cancellation of its established performance bond. Such
16 request should be accompanied by information demonstrating the
17 Applicant's financial viability. Upon receipt of such filing and after
18 Staff review, Staff will forward its recommendation to the Commission
19 for a Decision that the requested cancellation is in the public interest.

20 12. No exceptions were filed to the Staff Report, nor did any party request that a hearing
21 be set.

22 13. On August 29, 2000, the Arizona Court issued its Opinion in US WEST
23 Communications, Inc. v. Arizona Corporation Commission, 1 CA-CV 98-0672, holding that "the
24 Arizona Constitution requires the Commission to determine fair value rate bases for all public service
25 corporations in Arizona prior to setting their rates and charges."

26 14. On October 26, 2000, the Commission filed a Petition for Review to the Supreme
27 Court.

28 15. On February 16, 2001, the Commission's Petition was granted.

CONCLUSIONS OF LAW

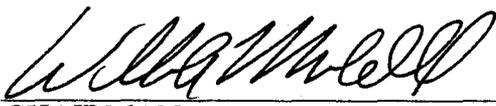
1 Applicant is a public service corporation within the meaning of Article XV of the
2 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

3 2. The Commission has jurisdiction over Applicant and the subject matter of the
4 application.

1 IT IS FURTHER ORDERED that if Total Call International, Inc. desires to discontinue
2 service, it shall file an application to discontinue service with the Commission. At least sixty (60)
3 days prior to filing an application to discontinue service, Total Call International, Inc. shall notify
4 each of its customers and the Commission of its intent to discontinue service. Any failure to comply
5 with this ordering paragraph may result in the forfeiture of Total Call International, Inc.'s
6 performance bond.

7 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

8
9 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

10
11 
12 CHAIRMAN COMMISSIONER COMMISSIONER

13
14 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
15 Secretary of the Arizona Corporation Commission, have
16 hereunto set my hand and caused the official seal of the
17 Commission to be affixed at the Capitol, in the City of Phoenix,
18 this 4th day of October 2001.

19 
20 BRIAN C. McNEIL
21 EXECUTIVE SECRETARY

22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

1 SERVICE LIST FOR: TOTAL CALL INTERNATIONAL, INC.

2 DOCKET NO.: T-04004A-01-0259

3 Lance J. M. Steinhart
4 LANCE J. M. STEINHART, P.C.
5 6455 East Johns Crossing
6 Suite 285
7 Duluth, Georgia 30097
8 Attorney for Total Call International, Inc.

9 Christopher Kempley, Chief Counsel
10 ARIZONA CORPORATION COMMISSION
11 Legal Division
12 1200 West Washington
13 Phoenix, AZ 85007

14 Deborah Scott, Director
15 Utilities Division
16 ARIZONA CORPORATION COMMISSION
17 1200 West Washington Street
18 Phoenix, Arizona 85007
19
20
21
22
23
24
25
26
27
28